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Ruth Lovelace
Kinnersley & District Group Parish Council
Pool Cottage
Norton Canon
HEREFORD
HR4 7BP

9th July 2020

Dear Ruth,

INTERNAL AUDIT FOR KINNERSLEY & DISTRICT GROUP PARISH COUNCIL

I have now completed the internal audit for the above Parish Council. The audit has included a review of the internal systems controls that are in place.

I confirm that I have acted independently. The basis of the audit is by selective assessment of compliance with relevant procedures and controls.

I have attached a copy of the internal audit report. Recommendations are highlighted in yellow alongside some queries which need to be confirmed prior to signing off the audit.

Please also see the attached AGAR with the relevant section completed and signed by me.

Outlined below is a basic overview of the areas included in the audit.

Appropriate Accounting System

Appropriate account books have been kept during the year. The Council uses a spreadsheet to record income and expenditure as well as a review of expenditure and income against budget and bank reconciliations.

The books are kept up to date and there is evidence in the minutes that they are balanced regularly.

Financial Regulations and Standing Orders

There is a clear audit trail of all samples picked. Council carries out its financial processes in line with its standing orders but it is recommended that financial regulations are developed.

Risk Assessments

Appropriate Risk Assessments have been undertaken and reviewed by Council.

The Internal Auditor needs to confirm that the Council's insurance covers public liability, fidelity guarantee and employer's liability.

The backing up of Council data needs to be reviewed regularly to ensure that there is minimal impact to the business continuity of the Council. This is especially important in cases where the Clerk is incapacitated for whatever reason and any temporary cover can access Council documentation to enable the Council to continue to function.

Precept

The precept was set following the consideration of the annual budget by Council.

Income

Income is correctly recorded and there is an audit trail of banking. No unusual income was identified.

Petty Cash

Only a small amount of petty cash is used for the heating of the hall. Expenses are claimed and reimbursed.

PAYE

It is presumed that the PAYE is administered using the HMRC's Basic Tools. Evidence that the RTIs have been submitted and outstanding payments have been made would be useful in future.

Asset Register

The Council maintains an asset register and this has been reviewed.

Bank Reconciliations

Bank reconciliations are carried out regularly at the end of the year. This is strong internal control and should highlight errors in either the cashbook or if there has been a bank error, hence the recommendation that these are presented on a more regular basis to Council.

Accounting Statements

The Parish Council prepares its accounting statements on a receipts and payments basis. This agrees with the cash book.

General

The accounting records are well organised and the information provided enabled the internal audit review to be carried out.

Thank you for all your assistance in enabling the internal audit to be completed.



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Yours sincerely

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